



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 16, 1998

H.R. 4068

A bill to make certain technical corrections in laws relating to Native Americans, and for other purposes

As ordered reported by the House Committee on Resources on July 29, 1998

SUMMARY

H.R. 4068 would make technical corrections in laws relating to Native Americans. The bill would adjust boundaries on reservation lands, transfer certain lands into trust, extend leases on land in Oregon, clarify service areas, disburse interest payments from the San Luis Rey Indian Water Rights Settlement Act, amend the Native Hawaiian Health Care Improvement Act, amend the Jicarilla Apache Tribe Water Rights Settlement Act, and authorize the appropriation of such sums as may be necessary for the Oklahoma City and Tulsa urban demonstration projects under section 512 of the Indian Health Care Improvement Act.

Enacting H.R. 4068 would affect direct spending; therefore, pay-as-you-go procedures would apply. CBO estimates that this bill would result in additional direct spending of \$14 million over the 1999-2003 period. However, \$8 million of that spending would likely be offset by savings of future payments that would otherwise be made. CBO cannot estimate the precise timing of those offsetting savings, but we expect that such payments would not occur in the next few years under current law. CBO estimates that implementing the bill would also result in discretionary savings of less than \$500,000 over the 1999-2003 period.

H.R. 4068 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would benefit some Indian tribes, but would have no significant impact on the budgets of state or local governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4068 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars				
	1999	2000	2001	2002	2003

CHANGES IN DIRECT SPENDING

Estimated Budget Authority	0	0	0	0	0
Estimated Outlays	8	0	6	a	a

Note: H.R. 4068 also would affect spending subject to appropriation, but the effects would total less than \$500,000 over the 1999-2003 period.

- a. The legislation would trigger direct spending of about \$8 million in 1999, but these costs would be offset by savings in subsequent years from payments that would otherwise be made in the absence of H.R. 4068. CBO cannot predict the precise timing of such payments if H.R. 4068 is not enacted, but we expect that the settlement leading to those payments would not occur in the next few years.

BASIS OF ESTIMATE

Direct Spending

Section 10 would amend the Jicarilla Apache Tribe Water Rights Settlement Act to extend the deadline for completing the settlement among the Jicarilla Apache tribe, the state of New Mexico, and the federal government by two years, to December 31, 2000. Extending the deadline would likely result in the expenditure of \$6 million in funds that have already been appropriated for the tribe but that would probably not be spent under current law. Without the extension of the settlement deadline, it appears that no settlement will be completed. Under H.R. 4068, CBO expects that a settlement would be obtained and the funds would likely be spent in fiscal year 2001.

Section 11 would amend the San Luis Rey Indian Water Rights Settlement Act to disburse \$8 million of accrued interest to five tribes. This spending would likely be offset by savings of future payments that would otherwise be made in absence of H.R. 4068—when the pending settlement is completed. Under current law, the tribes would not be able to draw upon the accrued interest until such a settlement has been completed. Based on information from the Attorney Soliciter's Office within the Department of the Interior, CBO expects that a final settlement will probably occur within the next 10 years. Although it is possible that the settlement could happen at any time, CBO believes that it is unlikely to occur in the next few years. Thus, authorizing the disbursement of the interest income would speed up the spending of that income. Based on information from the Bureau of Interior Affairs (BIA), CBO estimates that disbursement of the \$8 million in interest would occur in one lump sum in fiscal year 1999.

Spending Subject to Appropriation

H.R. 4068 would add land in Oregon to the list of lands that have 99-year leases instead of the standard 25-year lease. Based on information provided by BIA, CBO estimates that this provision would result in discretionary savings because it would reduce the paperwork requirements of lease renewal after the lease period has ended. CBO estimates that such savings would total less than \$500,000 over the 1999-2003 period.

Section 3 would extend the boundaries of the Grand Ronde Reservation by about 200 acres. These 200 acres are currently held in trust by the federal government for the Confederated Tribes of the Grande Ronde Community of Oregon. Sources at the BIA in Oregon say that those who live on the 200 acres are already tribal members and receive all benefits accorded to tribal members. As a result, CBO estimates that this provision would not result in any additional costs to the federal government.

Section 4 would authorize the appropriation of such sums as may be necessary for fiscal years 2001 and 2002 for the Oklahoma City and Tulsa urban demonstration projects under section 512 of the Indian Health Care Improvement Act. Because the law requires that these two demonstration projects be treated as service areas, they receive funding from the hospitals and clinics portion of the Indian Health Service (IHS) budget rather than from the Urban Programs authorization. Because IHS activities in hospitals and clinics are permanently authorized at indefinite amounts by the Snyder and Transfer Acts, CBO assumes that appropriations for the two demonstration projects are also permanently authorized under current law. As a result, CBO estimates that the bill's authorization of such sums as may be necessary for these programs would not increase the amount authorized to be appropriated. In fiscal year 1998, the two demonstration projects received \$5 million.

Section 5 would add land in Lane County, Oregon, to reservation land that is held in trust for the Confederated Tribes of Coos. Currently the land is held in trust for the tribes, and no one is living on the land. CBO estimates that this provision would not result in any additional costs to the federal government.

Section 7 would clarify the 11 counties that would be considered part of the service area of the Confederated Tribes of the Siletz Indians of Oregon for the purposes of determining eligibility for federal assistance programs. Because the counties are already considered the service area for this tribe under an administrative action, CBO estimates that this provision would not have any budgetary effect.

Section 9 would direct the Secretary of the Interior to take land located in the Umpqua River watershed into trust for the Cow Creek Band of Umpqua Tribe of Indians. The legislation

does not specify the land that would be taken into trust. Land affected by this amendment would be land that the tribes would purchase or have conveyed to them. CBO estimates that this provision would not result in any additional cost to the federal government.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. The bill would not affect governmental receipts. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	8	0	6	a	a	a	a	a	a	a
Changes in receipts	Not applicable										

a. The legislation would trigger direct spending of about \$8 million in 1999, but these costs would be offset by savings in subsequent years from payments that would otherwise be made in the absence of H.R. 4068. CBO cannot predict the precise timing of such payments that would be required if H.R. 4068 is not enacted, but we expect that the settlement leading to those payments would not occur in the next few years.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 4068 contains no intergovernmental mandates as defined in UMRA. The bill would benefit some Indian tribes, but would have no significant impact on the budgets of state or local governments. In particular, section 10 would amend the Jicarilla Apache Tribe Water Rights Settlement Act to extend the deadline for completing this settlement. Without such an extension, the tribe will probably lose \$6 million in funds previously appropriated for their use. Section 11 would amend the San Luis Rey Indian Water Rights Settlement Act to authorize the immediate distribution of \$8 million to the five tribes covered by that act.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H. R. 4068 contains no new private-sector mandates as defined in UMRA.

PREVIOUS CBO ESTIMATE

On September 16 1998, CBO prepared an estimate for S. 1925, a bill to make certain technical corrections in laws relating to Native Americans, as ordered reported by the Senate Committee on Indian Affairs on June 29, 1998. H.R. 4068 would amend the Jicarilla Apache Tribe Water Rights Settlement Act to extend the deadline for settlement completion, while S. 1925 would not. Thus, CBO's estimate for S. 1925 does not include the cost of \$6 million in 2001 identified in this estimate. Other provisions in the two bills are nearly identical.

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